



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

October 20, 2005

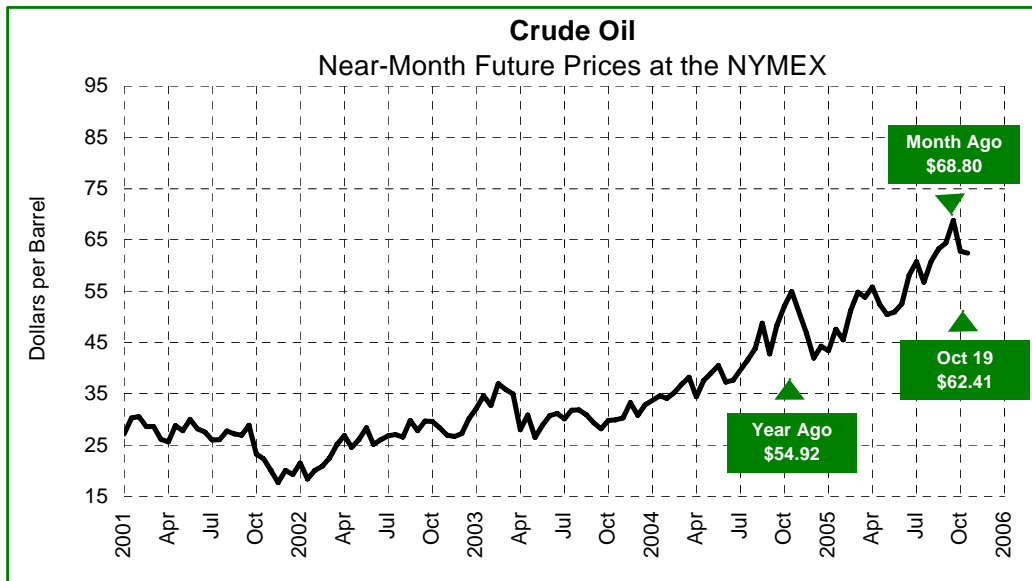
Crude Oil

On Oct. 19, NYMEX crude oil futures closed at \$62.41 per barrel, based in part on improving crude supplies and on-going lower consumer demand for petroleum products.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>10-19-05</u>	<u>09-21-05</u>	<u>change</u>	<u>10-20-04</u>	<u>change</u>
NYMEX	\$62.41	\$68.80	down 9%	\$54.92	up 14%

- Crude oil futures for November delivery on the NYMEX ended \$0.79 lower on October 19 to settle at \$62.41 per barrel in response to U.S. Energy Information Administration (EIA) data showing a large rise in crude stocks and an unexpected increase in gasoline stocks for the week.
- U.S. refinery runs rose by 4.2 percent to 79.1% of capacity as more Gulf Coast refineries restarted or ramped up production. The higher runs were not enough to force a reduction in crude supplies resulting in higher volumes of crude oil placed into storage.



- The EIA reports domestic crude supplies increased 5.6 million barrels to 312 million barrels in the week ending October 19, rising for the second consecutive week. According to the U.S. Minerals Management Service (MMS), as of Wednesday, Oct. 19, an estimated 973,084 barrels of oil production per day was still shut-in which is nearly 65 percent of the normal daily oil production in the Gulf Region.

- U.S. crude oil production improved by 246,000 barrels per day, moving from 3.9 to 4.14 million barrels per day (bpd). Current production is still below the 5.07 million bpd reported at this time last year. Crude oil imports increased 600,000 bpd moving from 8.6 million to 9.2 million bpd. Crude oil imports were estimated at 10 million bpd at this time last year.

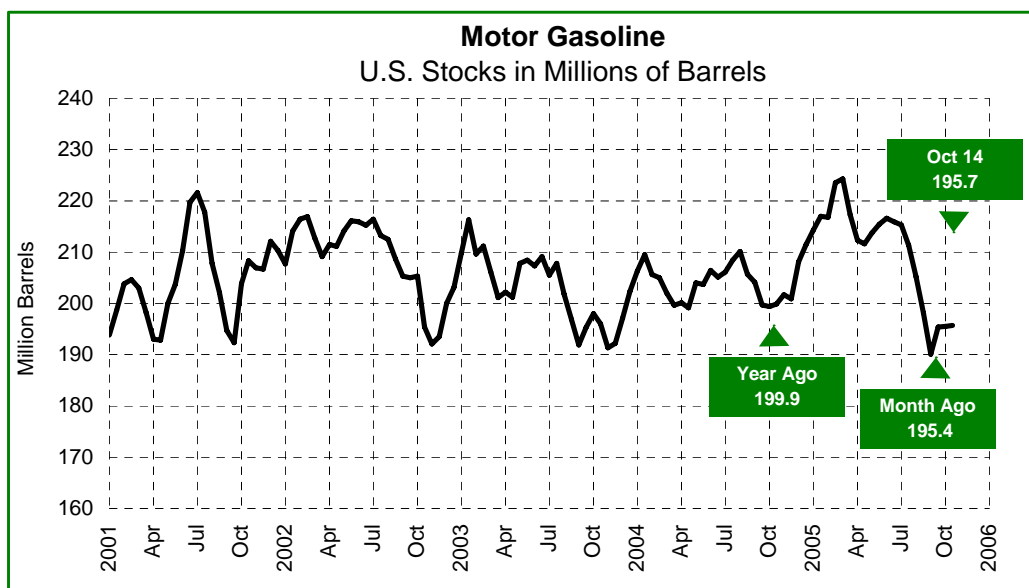
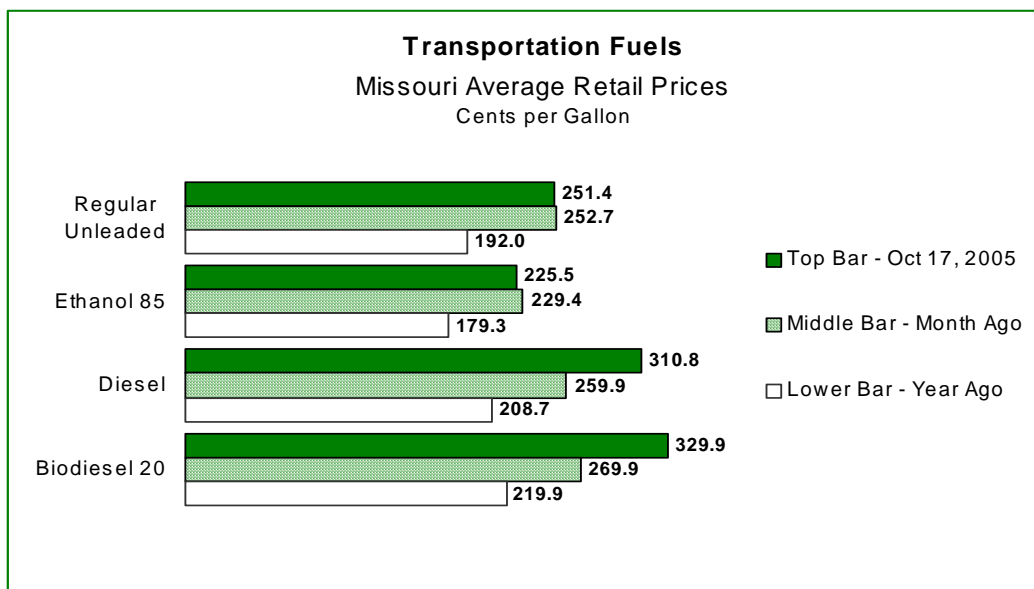
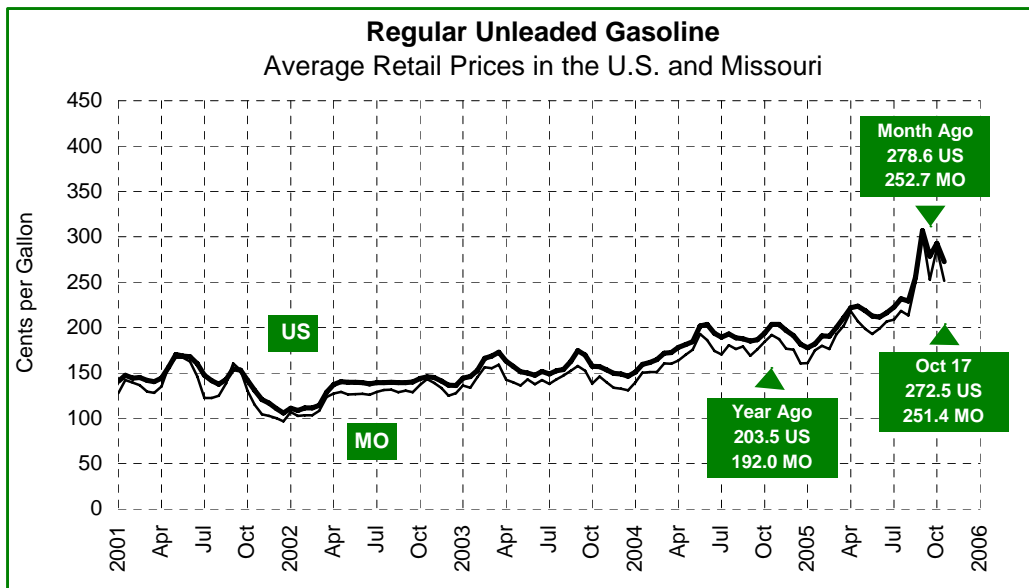
Transportation Fuels

On Oct. 17, Missouri's average retail price for regular unleaded gasoline was \$2.51 per gallon, a decrease of 1.3 cents; and the average price for diesel was \$3.10, an increase of 50 cents or 20 percent from mid-September.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-17-05</u>	<u>09-19-05</u>	<u>change</u>	<u>10-18-04</u>	<u>change</u>
US	272.5	278.6	down 2%	203.5	up 34%
Missouri	251.4	252.7	down 1%	192.0	up 31%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-17-05</u>	<u>09-19-05</u>	<u>change</u>	<u>10-18-04</u>	<u>change</u>
Missouri	310.8	259.9	up 20%	208.7	up 49%

- NYMEX November unleaded gasoline futures fell \$0.059 per gallon on Wednesday, Oct. 19 to settle at \$1.676 per gallon. Gasoline futures are continuing to decline and have now fallen 74 percent from the record \$2.92 hit on Aug. 31, in response to lower consumer demand and higher gasoline supplies.
- Missouri's statewide average gasoline and diesel retail prices are now 31 and 49 percent higher, respectively, than at this time last year. Missouri's average retail price for diesel increased 50.9 cents from last month due to lower domestic diesel supplies and production levels. U.S. retail gasoline prices hit a record \$3.07 per gallon a week after Hurricane Katrina struck in late August.
- Distillate stocks, which include heating oil and diesel fuel, fell 1.9 million barrels to 122.7 million barrels for the week ending October 14, but are 3.7 million barrels higher than this time last year. U.S. distillate production increased 0.16 million bpd to 3.4 million bpd and imports rose slightly to 0.3 million bpd.
- In spite of the increase in production and imports reported during the week, on a 4-week average basis, supplies of distillates dropped by nearly 150,000 barrels per day, accounting for the reduction in total U.S. supplies. Distillate demand for the week ending Oct. 14 was estimated at 3.9 million bpd.
- Midwest Region motor gasoline supplies moved slightly higher to 51 million barrels as of the week ending Oct. 14 and now stand about 2.8 million barrels higher compared to gasoline supplies at this time last year.
- The EIA said that for the week ending Oct. 14, U.S. gasoline stocks increased 2.9 million barrels to 195.7 million barrels. Gasoline imports topped 1.5 million bpd, posting a record for the 3rd straight week, as refiners continued to recover lost refinery production in the Gulf Coast. However, gasoline supplies are down 4.2 million barrels from a year ago.



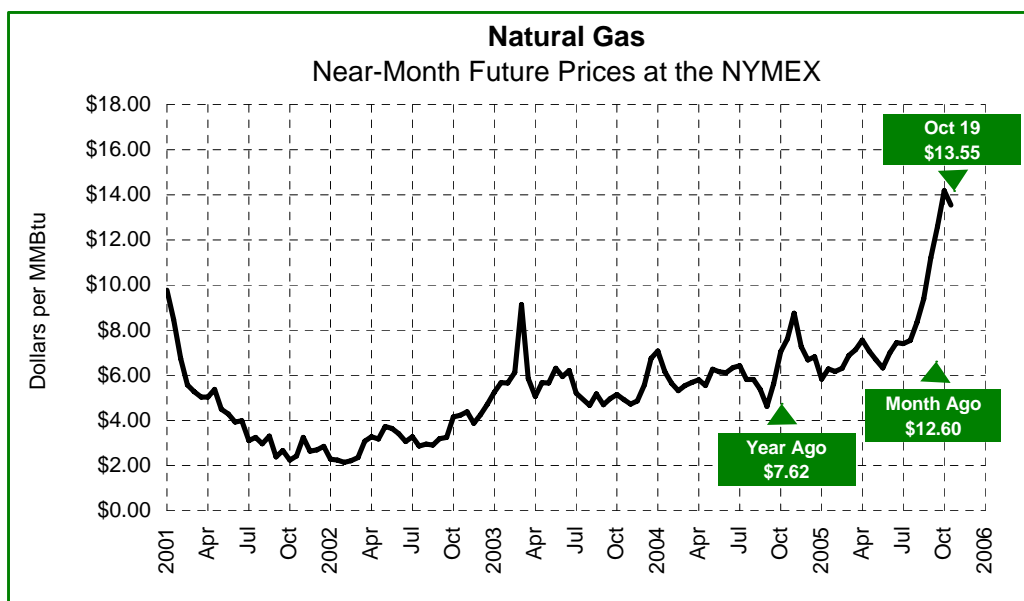
Natural Gas

Approximately 57 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Oct. 19, natural gas futures closed at \$13.55 per MMBtu, an increase of \$0.95 since last month and \$5.93 or 78 percent higher than this time last year due to continued shut-in natural gas production in the Gulf of Mexico.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
NYMEX	10-19-05	09-21-05	change	10-20-04	change
	\$13.55	\$12.60	up 8%	\$7.62	up 78%

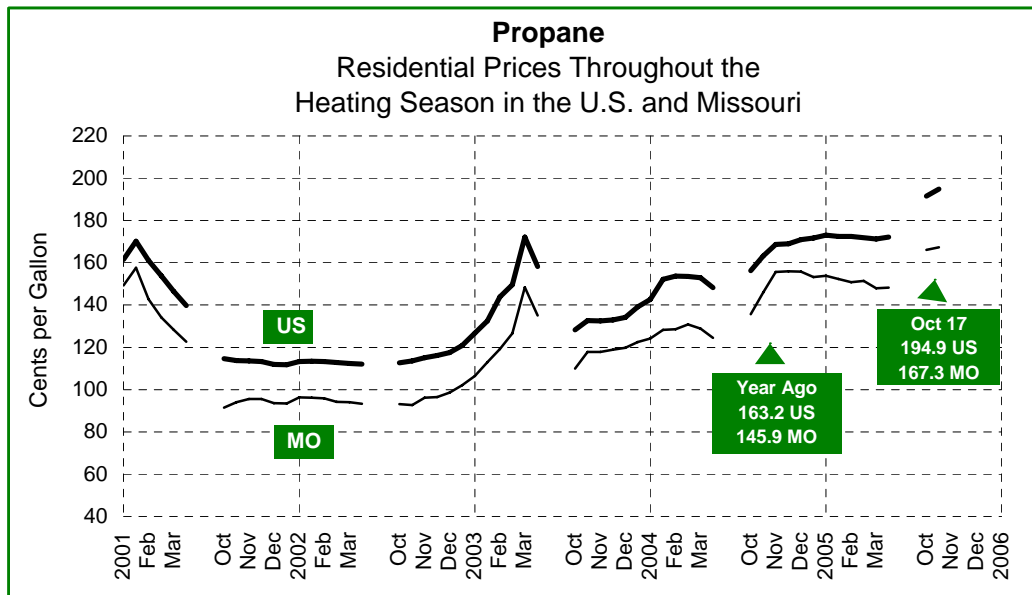
- Yesterday (October 19), the price of the NYMEX futures contract for November delivery settled at \$13.549 per MMBtu, increasing about 3 cents or 0.2 percent since last Wednesday. Since Wednesday, October 12, spot prices decreased at virtually all market locations in the Lower 48 States. For the week (Wednesday, Oct. 12–Wednesday, Oct. 19), prices at the Henry Hub decreased 24 cents or about 2 percent to \$13.52 per MMBtu.
- Working gas in storage as of October 14 totaled 3,062 Bcf, which is 1.8 percent above the 5-year average inventory level for the week according to EIA's Weekly Natural Gas Storage Report. Shut-in gas production from Hurricanes Katrina and Rita is estimated at 5.242 billion cubic feet per day, equivalent to 52.42 percent of the normal daily gas production in the Gulf Coast region.
- According to the EIA as of Oct.12, the current outlook for the upcoming winter (October 2005 through March 2006) yields expectations for energy expenditures for natural gas to be approximately 50 percent more than the winter of 2004-2005 for an average household.



Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.67 per gallon on Oct. 17, down 1.6 cents from a month ago, and 21 cents or 15 percent higher than a year ago.



- On Oct. 17, Missouri's average statewide price for propane was 167.4 cents per gallon. This is 1.6 cents lower than the average price from the previous month and 21 cents or 15 percent higher compared to the same period last year.
- U.S. inventories of propane increased by just 0.1 million barrels last week on record weekly imports that continued to offset the slow return of refinery production of propane from the recent hurricanes. As of October 14, 2005, propane inventories at the primary level were 67.5 million barrels, a level that remains near the upper limit of the average range. The nearly 500,000 barrels-per-day import was the highest since the start of weekly import data collection on April 9, 2004. Midwest propane supplies fell 200,000 barrels to 23.8 million barrels, nearly unchanged from last year at this time.
- According to the EIA as of Oct. 12, the outlook for the upcoming winter (October 2005 through March 2006) anticipates a 36 percent increase in propane space heating costs for Midwest households compared to the winter of 2004-2005.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm